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SUBJECT: GUINEA STILL HAS NO 2009 BUDGET

REF: CONAKRY 701

GUINEA STILL HAS NO 2009 BUDGET

11. (U) SUMMARY. With just one month left in the 2008 fiscal year and the National Assembly budgetary session only days away from expiring, the GoG has yet to finalize even a draft 2009 budget. Given the lengthy budgetary process, it is unlikely that a budget will be in place by the end of the fiscal year on December 31. If the GoG starts off the new year without a budget, the president will have to authorize "essential" spending by decree. Guinean law does not provide for a continuing resolution as is the case in the U.S. END SUMMARY.

OVERVIEW OF THE BUDGETARY PROCESS

12. (U) Approval of the national budget in Guinea is a multi-step procedure. The Ministry of Finance kicks off the process by organizing revenue and spending data for other ministries. Based on these data, cabinet ministers then prepare draft budgets for their individual ministries. After the president approves the consolidated budget, the Secretary General of the Government passes the document to the President of the National Assembly, who relays it to the chairmen of the committees that have budgetary oversight over the ministries. Once the committees have reviewed and approved their separate portions of the budget, the National Assembly votes on the entire package. The ratified document then passes to President Conte for promulgation. This process generally takes several months.

CABINET IS STILL DRAFTING BUDGET

13. (U) Though the National Assembly's annual budgetary session opened in late September, the cabinet has not yet finished preparing draft budgets for all the ministries. As a result, the Assembly has had no document to consider (reftel). In past years, a draft budget was typically presented to the Assembly at the opening of the session.

PRESIDENT MAY AUTHORIZE ESSENTIAL INTERIM SPENDING

14. (U) Should the GoG fail to pass a budget by the end of the fiscal year, President Conte must authorize by decree spending deemed essential, such as day-to-day ministerial operations, salaries, and fuel. A contact in the Ministry of Finance told EconLES that when the current session expires later this month, President Conte plans to convene an extraordinary session 30 days thereafter to continue budget deliberations. This interim period of 30 days between sessions is required by the constitution.

COMMENT

15. (U) The GoG has been making numerous financial promises to various groups, such as the military, but does not have even a draft budget in place to reflect these commitments. The requirement of the presidential authorization for basic spending after January 1 could cause further problems for a government that is already strapped for cash. Meanwhile, the National Assembly has been in session for nearly two months with nothing to do since it can only look at draft legislation during the spring session on laws. END COMMENT.

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